REMARKS

Claims 10 and 11 are cancelled without prejudice or disclaimer. Claim 1 is amended. The amendments to claim 1 are supported by the specification and claims as originally filed, including original claim 11 and the specification at page 8, lines 21-23. Claims 15-16 are added. Claim 15 is supported by original claim 2. Claim 16 is supported by the specification at page 8, lines 21-23. Claim 1-9 and 12-16 are pending.

Applicants' claim priority to PA 2002 01021 and USSN 60/393,275 was based on the disclosure at page 6, lines 9-14 of the use of a "soy protein hydrolysate, casein hydrolysate, potato protein hydrolysate".

It is respectfully submitted that the present amendment presents no new issues or new matter and places this case in condition for allowance. Reconsideration of the application in view of the above amendments and the following remarks is requested.

I. The Rejection of Claims 1, 2, 4, 5, 6, 7 and 12 under 35 U.S.C. 102(b)

Claims 1, 2, 4, 5, 6, 7 and 12 are rejected under 35 U.S.C. 102(b). Hurchette et al. is cited as disclosing a method of producing a neutral protease from *B. subtilis* in which the medium contains potato protein as a nitrogen source.

Claim 1 has been amended to incorporate the recitation of claim 11. For the foregoing reasons, Applicants submit that the claims overcome this rejection under 35 U.S.C. 102. Applicants respectfully request reconsideration and withdrawal of the rejection.

II. The Rejection of Claims 1-7 and 10-14 under 35 U.S.C. 103

Claims 1-7 and 10-14 are rejected under 35 U.S.C. 103 as obvious over Hurchette et al. Regarding claim 11, the Examiner states that one of ordinary skill in the art would have expected that somewhere between 1% and 70% of the peptide bonds would have been hydrolyzed by this treatment. The Examiner states that the skilled artisan would have expected that the degree of hydrolysis is a result-effective parameter which was well known in the art at the time of Applicants' invention to be routinely optimized by one of ordinary skill in the art of bacterial fermentation, i.e., the degree of hydrolysis would have been increased by using a stronger acid or a higher concentration of selected acid, and visa versa. This rejection is respectfully traversed.

As amended, claim 1 recites a process for producing a protease or peptidase in a fermentation medium comprising one or more partially prehydrolyzed complex N-sources having a low degree of hydrolysis, i.e., between 1 and 20% of peptide bonds of the complex N-

sources are hydrolyzed. As described in the specification (p. 8, lns. 21-23) and as illustrated in Example 12, prehydrolyzed complex N-sources having a low degree of hydrolysis are highly advantageous in the fermentation giving rise to proteases and peptidases.

Hurchette et al. do not suggest the benefits of employing a prehydrolyzed complex N-sources having a low degree of hydrolysis of between 1 and 20%, and that such prehydrolyzed N-sources would be particularly suitable for producing a protease or peptidase. There is also no suggestion in the art that the degree of hydrolysis of the N-sources is a result-effective parameter which was well known in the art at the time of Applicants' invention to be routinely optimized by one of ordinary skill. Moreover, there is no suggestion in the art as to whether what degree of hydrolysis would be suited for producing a protease or peptidase, and in particular, the low degree of hydrolysis recited in the claims.

For the foregoing reasons, Applicants submit that the claims overcome this rejection under 35 U.S.C. 103. Applicants respectfully request reconsideration and withdrawal of the rejection.

III. Conclusion

In view of the above, it is respectfully submitted that all claims are in condition for allowance. Early action to that end is respectfully requested. The Examiner is hereby invited to contact the undersigned by telephone if there are any questions concerning this amendment or application.

Respectfully submitted,

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